



**Lloyds Bank Limited**  
**MONTHLY REVIEW**  
NOVEMBER 1932



# Lloyds Bank Limited

Head Office: 71, LOMBARD STREET, LONDON, E.C.3



## DIRECTORS

J. W. BEAUMONT PEASE, Chairman

SIR AUSTIN E. HARRIS, K.B.E., Deputy Chairman

J. H. L. BALDWIN  
The Rt. Hon. LORD BARNBY,  
C.M.G., C.B.E., M.V.O.  
CHARLES E. BARNETT  
HENRY BELL  
Capt. C. E. BENSON, D.S.O.  
ROBERT K. BLAIR  
The Hon. R. H. BRAND, C.M.G.  
HAROLD G. BROWN  
J. HOWARD FOX  
Major JAMES W. GARTON  
R. C. CHAPPLE GILL  
SIR W. GUY GRANET, G.B.E.  
GEORGE A. HARVEY

SIR H. H. A. HOARE, Bt.  
The Rt. Hon. SIR ROBERT  
HORNE, G.B.E., K.C., M.P.  
The Rt. Hon. LORD  
INVERFORTH, P.C.  
HERBERT J. W. JERVIS  
CHARLES KER, LL.D., D.L.  
SIR H. SEYMOUR KING, Bt.,  
K.C.I.E.  
CYRIL E. LLOYD  
The Hon. MAURICE F. P.  
LUBBOCK  
Lt.-Col. R. K. MORCOM, C.B.E.  
SIR ALEXANDER R.  
MURRAY, C.B.E.

WILLIAM W. PAINE  
ALWYN PARKER, C.B., C.M.G.  
ARTHUR E. PATTINSON  
W. LESLIE RUNCIMAN  
SAMUEL SAMUEL, D.L., M.P.  
The Rt. Hon. The EARL OF  
SELBORNE, K.G., P.C.,  
G.C.M.G.  
HERMAN B. SIM  
SIR EDWIN F. STOCKTON  
The Rt. Hon. LORD WEIR  
OF EASTWOOD, P.C.,  
LL.D., D.L.  
EVAN WILLIAMS, LL.D., D.L.

## Chief General Managers

F. A. BEANE

G. F. ABELL

## Joint General Managers

W. G. JOHNS, D.S.O.

R. A. WILSON

S. PARKES

S. P. CHERRINGTON

## TABLE OF CONTENTS

---

	PAGE
THE MEAT SUPPLIES OF THE UNITED KINGDOM	
<i>By H. W. Macrosty, O.B.E.</i> .. .. .	470
FINANCE AND INDUSTRY .. .. .	486
NOTES OF THE MONTH .. .. .	490
HOME REPORTS .. .. .	493
OVERSEAS REPORTS .. .. .	502
STATISTICS .. .. .	509

# Lloyds Bank Limited

## Monthly Review

---

New Series—Vol. 3

November, 1932

No. 33

---

*\* \* The Bank publishes from time to time in this Monthly Review signed articles by exponents of different theories on questions of public interest. The Bank is not necessarily in agreement with the views expressed in these articles.*

### The Meat Supplies of the United Kingdom

*By H. W. Macrosty, O.B.E.*

#### THE MEAT POLICY OF THE GOVERNMENT

THE general policy of the present Government with regard to the meat supplies of the United Kingdom was outlined in a Declaration made to the Commonwealth of Australia at the recent Imperial Conference at Ottawa, of which the following are the salient passages :—

“ 1. The present wholesale prices of frozen meat are at a level which has resulted in grave depression in the live-stock industries of the United Kingdom and the Dominions. This depression is likely, if continued, to bring about a serious decline in production and consequent ultimate injury to the consumer. 2. Such a position is so serious that it is essential to take whatever steps may appear feasible to raise the wholesale prices of frozen meat in the United Kingdom market to such a level as will maintain efficient production. 3. With a view to the earliest possible improvement of the position His Majesty's Government in the United Kingdom will, during the currency of the Ottawa Agreement, arrange for the regulation of importations of meat into the United Kingdom, the regulation, in view of the close inter-relationship of all kinds of meat in determining the price-level, to be applied to all kinds of meat referred to in “Section 5.” (These were frozen mutton and lamb, frozen beef, chilled beef, and ‘ after receiving the Report of the Commission now sitting

on the reorganization of the pig industry of the United Kingdom,' bacon and hams.) "4. The policy of His Majesty's Government in the United Kingdom in relation to meat production is, first, to secure development of home production, and, secondly, to give to the Dominions an expanding share of imports into the United Kingdom.

. . . 8. Should it appear to His Majesty's Government in the United Kingdom after enquiry that, at any time in consequence of a restriction upon foreign imports, the supplies of meat of any kind are inadequate to meet the requirements of consumers in the United Kingdom, then His Majesty's Government may remove any such restriction until supplies are again adequate."

The detailed provisions agreed upon for the carrying out of the above policy are that the imports of chilled and frozen meat from foreign countries during the twelve months ended June 30th, 1932, are to be taken as maxima; that no reduction in imports of chilled beef are at present contemplated; that imports of frozen beef (carcases and boned beef) and of mutton and lamb from foreign countries are to be reduced by 10 per cent. in the first quarter of 1933 and by progressive decrements of 5 per cent. in each succeeding quarter till the second quarter of 1934, when the proportion imported will be 65 per cent., these percentages being of "the quantities imported in the corresponding quarters of the twelve months ended June 30th, 1932"; that for 1933 the Australian Government will endeavour to limit the exports of frozen mutton and lamb to an amount equivalent to the imports from Australia during the twelve months ended June 30th, 1932, and those of frozen beef to a quantity not exceeding 10 per cent. above the quantities exported in that period; that no restriction should be imposed upon imports of meat from New Zealand up to June 30th, 1934; that consultations should be held with the Governments of Australia and New Zealand on "the best means of ensuring an improved price situation and the more orderly marketing of supplies"; and that provision "will be made for free entry of Canadian bacon and hams of good quality up to a maximum of 2,500,000 cwt. per annum."

The main object of this paper is not to pass a final judgment on the merits or demerits of the policy sketched out above, but to provide some material by which they may be assessed. That policy should, however, be considered in connection with the

movement towards the better organization of home producers which has been progressing under the Agricultural Marketing Act of 1931. Wheat farmers have secured a market for all their millable wheat on terms the cost of which will fall ultimately on bread consumers. Hop-growers have set up the first marketing board under the Act, and potato growers, cattle feeders, milk producers, and poultry rearers have in more or less advanced states of preparation schemes for regulated marketing with an element of compulsion. Commissions appointed by the Ministry of Agriculture are also investigating the organization of the sale of milk and dairy produce and of pig products. There has also been a remarkable response to the gospel of standardization preached by the Ministry during the last four years. The most conservative of all industries is now anxiously concerned about its economic health, and it is an essential point in all schemes of reorganization that the regulation of imports should go hand in hand with the regulation of home production. Time, however, is an essential factor in all agricultural operations, and, consequently, as speedy a reaction to measures intended to increase production cannot be expected in the case of agriculture as in that of manufacturing industry.

#### PRICES OF AGRICULTURAL PRODUCTS

The far-reaching importance of the new proposals may be gauged by the fact that, as stated in the Report of the Ministry of Agriculture and Fisheries on "The Agricultural Output and the Food Supplies of Great Britain," published in 1929, the value of the livestock and livestock products (excluding milk, dairy produce, poultry, eggs, and wool) sold off farms in the United Kingdom (Great Britain and Northern Ireland) was £108,790,000, or 38 per cent. of the total value of the agricultural output in 1925. In the same year the total value of the retained imports of all kinds of meat (including a small quantity of rabbits) and of animals imported for food, was £133,100,000; of those imports British countries contributed £48,400,000 and foreign countries £84,700,000. Values have fallen considerably since that date, and, as the Government have attributed to that fall the general depression in the livestock industries of the world and have declared its reversal to be the main object of the new policy, it will be expedient to look at the course of prices over the last few years. For this purpose the following table, compiled by the Ministry of Agriculture, is reproduced.

*Prices of Agricultural Produce and Feeding-Stuffs*  
(1911-13 = 100)

Kind of Produce	1923-4	1924-5	1925-6	1926-7	1927-8	1928-9	1929-30	1930-1 (7 mos.)
Fat Cattle ...	152	151	146	131	135	133	134	127
Fat Sheep ...	183	197	160	150	163	157	160	145
Pigs—Baconers ...	133	152	181	161	133	150	162	128
Porkers ...	143	154	183	170	138	154	172	149
Feeding-stuffs ...	145	160	128	133	154	145	115	81

The periods are the agricultural years ending June 4th. The fall was not unbroken in the seven years, but after the general collapse in prices which set in in the second half of 1930 the prices received at farms also dropped and in August, 1932, the index number for fat cattle prices was 118; for sheep, 90; for bacon pigs, 86; and for porkers, 87; which are lower than the published index shown in the last column of the above table.

In the earlier years the increases in price over the pre-war period appear to be satisfactory, but the rise in wages in 1925 for ordinary agricultural workers in England and Wales was 72 per cent., and the increase in the price of feeding-stuffs was 60 per cent. Nevertheless, Mr. C. S. Orwin, in a Memorandum to the Agricultural Tribunal of Investigation (Final Report, Cmd. 2145 of 1924), could say: "The grass industries, such as dairying, stock-raising, and meat production, which enjoy a natural protection (for fresh meat may also be said to have this protection) are still profitable to the farmer; and, though less productive in gross value and employing less labour than arable industries, they are also more profitable relative to the fewer men employed." Despite some changes in wages and in cost of feeding-stuffs (shown above), that position, by general consent, is to-day completely altered.

Similar falls in price are shown on the wholesale meat market between 1925 and 1932, except in some cases in 1928 and 1929. In March, 1932, Argentine chilled beef was about 20 per cent. below the 1925 average, Scotch short sides 27 per cent., Australian frozen beef about 30 per cent., English mutton about 39 per cent., New Zealand lamb nearly 43 per cent., Irish green bacon about 42½ per cent., and Danish green bacon 54 per cent. Retail prices, as is known, move more sluggishly than wholesale prices, and those collected by the Ministry of Labour to illustrate working-class trade show

reductions from about 14 to about 28 per cent. over the same period, except in the case of streaky bacon, where the fall was nearly 49 per cent. The consumer has by no means benefited commensurately with the loss to the producer.

#### MOVEMENTS IN MEAT SUPPLIES

The Ministry of Agriculture in the Report on "The Agricultural Output" (already quoted) made a comparison between pre-war and post-war supplies (apparently a five years' average in each case), which is reproduced below.

#### *Estimated Supplies of Meat in Great Britain*

Particulars	Pre-war		Post-war	
	Quantity	Proportion of Total Supply	Quantity	Proportion of Total Supply
	Thou. tons	Per cent.	Thou. tons	Per cent.
Beef and veal—				
Home production ... ..	642	53	604	43
Net imports ... ..	578	47	794	57
Total supply ... ..	1,220	100	1,398	100
Mutton and lamb—				
Home production ... ..	257	51	227	44
Net imports ... ..	242	49	287	56
Total supply ... ..	499	100	514	100
Pig meat and lard—				
Home production ... ..	269	36	294	32
Net imports ... ..	483	64	623	68
Total supply ... ..	752	100	917	100
Supply per head—	lbs.		lbs.	
Beef and veal ... ..	69·4		71·4	
Mutton and lamb ... ..	28·4		26·2	
Pig meat ... ..	42·8		46·8	

The pre-war imports of beef were of foreign origin as regards 34 per cent., but the post-war proportion rose to 44 per cent.; imports from Empire countries were unaltered at 13 per cent. The Empire share of imported mutton and lamb rose from 30 per cent. to 34 per cent. and the foreign share from 19 to 22 per cent. With regard to pig meat and lard, though there was an absolute increase in the home production, there was a relative decline, foreign supplies rising from 47 to 54 per cent., while Empire supplies fell from 17 to 14 per cent.

At the agricultural census of 1925 the meat output of Scotland and Northern Ireland was ascertained to be 185,000 tons of beef and veal, 58,000 tons of mutton and lamb, and 35,000 tons of pork, bacon, etc. Similar information for later years is not available, but meat production in England and Wales has varied as shown in the following table.

*Meat Production in England and Wales*  
(years ended June 4th)  
In thousand tons

Kind of Meat	Average 1908-9 to 1912-13	1925	1926	1927	1928	1929	1930	1931
Beef ... ..	413	345	360	360	395	398	396	371
Veal ... ..	24	31	32	35	38	36	36	31
Mutton and lamb	194	122	136	156	174	163	153	136
Pork, bacon, etc. ...	249	321	256	220	263	293	232	230
Total ... ..	880	819	784	771	870	890	817	768

To these figures of beef and mutton about 10 per cent. should be added for edible "offals."

Comparative figures of the quantities of retained imports are given in the next table.

*Retained Imports of Meat for Calendar Years*  
In thousand tons

Kind of Meat	Countries	1925	1926	1927	1928	1929	1930	1931
Beef (chilled and frozen)	British ...	98	86	48	72	52	56	*
	Foreign ...	503	568	599	526	520	511	*
	Total ...	601	654	647	598	572	567	586†
Mutton and lamb (frozen)	British ...	151	171	167	167	167	205	*
	Foreign ...	115	95	107	114	114	114	*
	Total ...	266	266	274	281	281	319	354
Bacon and ham ...	British ...	94	72	54	49	40	26	*
	Foreign ...	330	338	394	422	407	465	*
	Total ...	424	410	448	471	447	491	579
Other meat (including rabbits)	British ...	34	36	41	49	45	46	*
	Foreign ...	146	107	68	72	70	92	*
	Total ...	180	143	109	121	115	138	146

\* Not yet available.

† Including some classed previously with "other meat."

Imports of beef have fallen since 1926, but those of mutton and lamb, and still more those of bacon and ham, have increased. Perhaps this change may be correlated with the decline in the national income, for the fall in the prices of mutton and lamb and of bacon and hams has been greater than the fall in the price of beef.

#### BEEF AND VEAL

Development of wheat lands overseas has for many decades past caused a progressive change in British agriculture from arable land to permanent grass, but the consequent development of the cattle industry has been mainly in cattle for milk production. In June, 1932, the number of cows and heifers (3,331,000) in Great Britain was 50 per cent. more than the average number in 1871-5, while in the same period other cattle had only increased by one-sixth to 4,246,000 head, and had varied only within narrow limits since 1925. The number of cattle sold off farms in England and Wales in 1925-7 was less than the pre-war annual average, and though it increased in a moderate degree in 1928 and 1929 in response to better prices it fell off again in 1930 and 1931. The best qualities of British beef are beyond competition, but over a large range Argentine chilled beef is a very serious rival. To a limited degree fat cattle from the Irish Free State compete, but imports fell from 426,000 head in 1924 to 372,000 in 1930 and the Irish cattle herd is not increasing. Canada has so far been a disappointing source of supply of fat cattle and of store cattle, and the native herd has diminished from 8,519,000 head in 1921 to 7,991,000 head in 1931, the consumption of beef in the Dominion also falling from 69·61 lb. in 1926 to 65·79 lb. in 1930. Imports of fresh beef from the Continent being now prohibited for sanitary reasons, Great Britain has to rely on its own cattle-breeding industry and on store stock from the Irish Free State (459,000 in 1924, 263,000 in 1927, and 372,000 in 1930).

There are serious obstacles not only to our becoming self-sufficing in our beef supply, but even to our getting back to the pre-war position. Dairy animals yield only a second-best beef, though the quest for the perfect dual-purpose animal is unceasing. Since the war the preference for small joints has caused animals to be slaughtered at an earlier age than formerly, and at the same time there has been a greatly increased demand for veal, 982,000 calves being sold off farms in England and

Wales in 1928, compared with 536,000 in pre-war years (the number fell to 808,000 in 1931). These two factors require that, even to maintain current supplies, the beef herd must increase more rapidly than in earlier years. At the same time it is not without significance that the growth in veal production has been in a commodity in which there has been practically no foreign competition.

The following table gives the chief figures as to imports.

*Imports of Chilled and Frozen Beef into the United Kingdom*

In thousand tons

Kind of Meat	Country	1925	1926	1927	1928	1929	1930	1931
Chilled Beef ...	Argentina ...	376	443	499	432	409	386	396
	Other countries	35	36	21	46	56	68	69
	Total ...	411	484	520	478	465	454	465
Frozen beef (sides, quarters, boned, and tongues, livers, etc.)	Australia ...	69	57	32	51	46	40	57
	New Zealand...	26	27	16	22	6	16	19
	Other countries	111	95	101	57	66	69	59
	Total ...	206	179	149	130	118	125	135
	Re-exports ...	16	9	21	9	12	11	13
	Retained ...	190	170	128	121	106	114	122

Argentina has important advantages over Australia and New Zealand in the exportation of meat to Europe. The journey is only about half as long and vessels can load full cargoes at meat works on the River Plate instead of having to call at various ports on the coast of Queensland or New Zealand. Beef can, therefore, be shipped "chilled" instead of "frozen." The chilling process has developed almost entirely in the present century, and in 1909, when the two classes of beef were first separated in the Trade Returns, only 133,000 tons were chilled out of a total importation of 304,000 tons; the per head consumption of chilled beef rose from 7 lbs. in 1909 to 23 lbs. in 1924-7. Argentina has an equable climate and breeding goes on all the year; Queensland trade is seasonal and the state of the cattle-rearing industry is dependent on the rainfall. Argentine cattle, fed on alfalfa and "topped off" with cake, are mature in about 2½ years and yield about 800 lbs. of dressed meat. Australian cattle require four or five years to fatten. All

these other disadvantages, however, might be overcome if a preservative process could be discovered which would enable Australian beef to arrive in London in the same condition as Argentine chilled, but that desideratum has not yet been realized. Australian frozen meat is graded below best Argentine frozen, but is sold largely in the provincial towns of Great Britain. The cattle herds of Australia declined from 2,434,000 head in 1925 to 1,947,000 head in 1929. The quantity of beef produced in 1929-30 was about 372,000 tons, 81 per cent. of which was consumed in the Commonwealth; about half the exports went to the United Kingdom and the remainder to Belgium, Germany, Italy, Philippines, Japan, and Egypt.

New Zealand suffers under the same disadvantage of distance as Australia, and being primarily a dairying and sheep-rearing country, finds beef production rather a subsidiary occupation. Taking the five years 1925-6 to 1929-30, exports were 143,000 tons and home consumption 523,000 tons. South Africa has potentialities as a supplier of beef. In the five years 1925-9 about 51,800 tons of beef were exported from the Union, 32,400 tons of which were the produce of animals from Southern Rhodesia slaughtered in the Union. On the other hand, it is to be noted that, in addition to the old-established exporters, Argentina and Uruguay, a new rival has arisen in quite recent years in South America, namely, Brazil, from which country the United Kingdom imported 37,000 tons of chilled and frozen beef in 1930.

#### MUTTON AND LAMB

The decline in arable farming was accompanied by a reduction in the sheep flocks in those parts of the country where sheep were fed on arable crops, and the competition of Dominion and foreign wool with the British product was another deterrent to British flock-masters. In the middle of 1932 there were 26,300,000 sheep in Great Britain compared with an average of 28,800,000 in 1871-5, but since 1925 there has been an increase of 3,200,000. The production of mutton and lamb in England and Wales was about 37 per cent. less in 1925 than before the war (1908-9 to 1912-13), but by 1928 (when imports were at a relatively low level) it recovered all but about 10 per cent.; subsequently the falling-off has been serious and coincident with greatly increased imports. The figures for imports are as follows:—

*Imports of Sheep and of Mutton and Lamb into the United Kingdom*

In thousand tons

Particulars	Country	1925	1926	1927	1928	1929	1930	1931
Sheep and lambs ...	Irish Free State	401	482	584	592	585	567	561
Mutton and lamb, frozen (excluding tongues, hearts, etc.)	Australia ...	26	38	31	27	30	40	77
	New Zealand...	125	134	136	140	137	165	173
	South America	112	93	107	63	114	113	92*
	Other countries	4	2	1	1	1	1	14
Total ...	...	267	267	275	231	282	319	356

\* Argentina and Uruguay only.

The most conspicuous feature of this table is the enormous increase of imports of frozen meat in the last three years, 1931 showing a growth of 54 per cent. over 1928. Coincidentally, the wholesale price of English mutton in London fell from 112.5s. per cwt. to 97.6s. and further to 77.9s. in March, 1932, while New Zealand lamb fell from 98.5s. to 75.3s. and to 67.2s. in March, 1932. The over-supply reacted not only on prices but apparently on the supplies of beef, where the price-fall was not so great.

New Zealand and Australia still dominate the market, especially the former with its good quality and reliable grading, and New Zealand exporters appreciated the change to small joints sooner than British farmers did. They also spend large amounts in advertising in the United Kingdom and, through the Meat Producers' Board, regulate shipments and negotiate cheap freights with shipowners. There is here an excellent example of orderly marketing. The number of sheep in the Dominion in 1931 (about 29,800,000) was slightly less than in 1930, when it was over a quarter greater than in 1925. The profitableness of the sheep-rearing industry depends in part on the world's demand for cross-bred wool. The Australian sheep flock has varied greatly in number over the last 50 years, but during the last five years has averaged nearly 105 million, of which, however, a large number are merino. In 1929-30 about 83 per cent. of the local production of mutton and lamb was consumed locally, leaving 17 per cent. for export, of which 88 per cent. went to the United Kingdom and the rest to Canada, Belgium, and British Malaya. New Zealand, on the other hand, in the

same year exported 71 per cent. of the production, practically all to the United Kingdom.

The only serious competition with Empire supplies comes from South America (chiefly Patagonia) and this meat is of lower quality. Difficulties of transport hamper development, but the trade has the organization of the American meat-packers in the Plate behind it.

#### BACON, HAMS, AND PORK

The prolific character of the pig enables supply to respond quickly to alterations in demand and imparts something of a cyclical character to prices and supplies; at the same time a rapid change from profit to loss may follow if the breeders' anticipations are falsified. The pig population of Great Britain was 2,798,000 in 1925, fell to 2,345,000 in 1926, rose to 3,166,000 in 1928, fell again to 2,453,000 in 1930, and rose to 3,344,000 in 1932. Perhaps the stable element in pig-breeding is that the pig is a necessary adjunct to the dairy industry for the consumption of whey. Ireland is our chief source of imported live animals, especially the Free State, which had a herd of 1,221,000 in 1931; Northern Ireland had 192,000 head in 1929. Imports from the Irish Free State have risen from 231,000 head in 1926 to 479,000 in 1931.

The British pig industry is divided into the fresh pork trade and the bacon trade, and the better price (relatively to the cost of pig-feeding) generally obtainable for fresh pork is an obstacle to the growth of our native bacon production. Especially is this the case since the importation of fresh pork from the Continent has been prohibited and only the importation from the Irish Free State (19,000 tons in 1931) has to be met. Nevertheless, there has been some growth in our bacon industry, for the output of all firms curing bacon and hams in the United Kingdom in 1924 was about 77,000 tons, while in 1930 the output of only those firms employing more than ten persons was 80,000 tons, including about 18,000 tons in Northern Ireland.

Home production of bacon is a very small thing compared with the import trade, and for this pig-breeders may themselves be in part to blame, since there seems to be justification for the complaints of the bacon-curers that there is too great a variety of British pigs. This is not the place to discuss how far the methods of the Danish pig industry are applicable in our

country; it is sufficient to note that it is a highly organized trade and a very dangerous competitor. The following table shows the imports of bacon and hams :—

*Imports of Bacon and Hams into the United Kingdom*

In thousand tons

Country	1925	1926	1927	1928	1929	1930	1931
Irish Free State ... ..	24	22	23	29	26	17	15
Canada ... ..	73	52	32	21	15	9	6
Denmark ... ..	187	183	255	269	249	306	367
Netherlands ... ..	14	31	40	53	45	42	50
Sweden ... ..	8	13	24	22	19	28	29
United States ... ..	140	109	68	65	74	65	39
Other countries ... ..	4	23	27	31	37	43	92
Total ... ..	450	433	469	490	465	510	598
Re-exports ... ..	18	23	18	19	19	19	21

Re-exports are chiefly to the Irish Free State, whose exports in 1930 and 1931 fell off heavily. The Canadian and United States trade has been virtually beaten out of the field by the higher priced Danish bacon. The Dutch trade was probably stimulated by the loss of the fresh-meat business, but the new imports from Sweden, Poland, and (somewhat irregularly) Latvia and Russia are noteworthy. Attention should be fixed on the great increase of imports from Europe since 1926, and particularly on the increase from Denmark in 1930 and 1931; reduced profits or actual losses resulting from over-supplies, it is now reported that the Danish pig herd is being reduced. The Canadian pig-herd increased from 3,405,000 in 1921 to 4,717,000 in 1931, but the home consumption also grew with some rapidity.

OTHER MEATS

The total retained imports of meat into the United Kingdom in 1931 were 1,665,000 tons (including 19,000 tons of rabbits) against 1,471,000 tons in 1925. Among the meat products not so far noted are tinned meat and meat extracts, imports of which (chiefly beef from Argentina) were about 65,000 tons both in 1925 and 1931. British production rose from 8,500 tons in 1924 to 10,600 tons in 1930.

## CONCLUSIONS

In assessing the gravity of the position in the meat industry to-day we are hampered by the want of a standard by which to measure the profit or loss falling to producers. If, working on the suggestion of Mr. Orwin, already quoted, we take 1924 as a year when stock-raising was profitable, and compare prices received by farmers in that year with those received in the summer of the present year, we obtain the impression that very large increases are required in order to make meat production again profitable. The situation, indeed, looks alarming until we remember that the consumer has not been getting his meat proportionately cheaper since 1924, and that equivalent increases in retail prices are unnecessary and improbable.

The first thing the community must make up its mind about is whether an agricultural industry in Britain is wanted or not. If so, it must be put on a paying basis; it is in every way immoral to keep it as a sweated trade. All political parties answer the question in the affirmative. The Labour Party has schemes of a revolutionary character, embodying many admirable features, but not as a whole commanding the support of the agricultural world, and not backed by sufficient power to enable them to be started for many years. Free-traders appear to rely on scientific improvement of production and better organization of markets—both commendable plans. The problem is, however, urgent, and the solution to be adopted is not necessarily the ideally best, but that which can be effected by the aid of the political forces in power to-day.

There are three immediately practical proposals—import duties, bounties on production, and regulation of imports by quotas. British farmers suffer from Dominion competition as well as from foreign competition, and a duty on all imports with a preference to Dominion produce at a level which would enable British farmers to compete on reasonable terms (to use the Ottawa formula) would probably raise prices in a degree injurious to the consumer. Bounties, after our experience with the corn bounty, are not practical politics.

There remains the quota plan, which may proceed by a progressive limitation of foreign imports and some control over Dominion imports, so that full freedom of expansion is left to the home producer, or a more definite division might be made based on practicable developments at home and in the

Dominions so that the foreign share might be gradually reduced. Both methods will, in fact, have to be adopted. Complaint is made that such a system is complicated compared with a duty, but a complicated machine may work smoothly. To aim at a large immediate increase in the home production would be a mistake, for it leaves out the time element. To produce a beef steer takes three years, but 60 per cent. of our imports of mutton and lamb are lamb, and a sow has a large litter twice a year; these are the factors in the rate of increase.

Looking now at the detailed proposals, we have the following table :—

*Imports in Year to June 30th, 1932*  
In thousand tons

Source	Chilled Beef	Frozen Beef (Carcases, Boned, and " Offals ")	Frozen Mutton and Lamb
Foreign countries ... ..	442	50	97
Australia ... ..	—	56	75
New Zealand ... ..	—	19	195
Total ... ..	442	125	367

The Monthly Trade Accounts do not distinguish " offals " (hearts, tongues, etc.) from carcass beef and boned beef, but include all as " frozen beef," except, of course, chilled beef in sides and quarters. In 1930 " offals " imported amounted to about 37,000 tons, including 3,000 tons from Australia and New Zealand, and as the imports in that year were much the same as in 1931-2, the proportion of " offals " was probably not much different in the later period. Imports from Australia in 1933 are expected to be 75,000 tons of mutton and lamb and from 53,000 to 58,000 tons of beef. The New Zealand Government has stated that the estimated exports of mutton and lamb in the exporting season 1932-3 (ending September 30th) are 200,000 tons (or 195,000 tons for the calendar year 1933); the estimated export of beef is 22,000 tons for 1932-3. Without going too minutely into figures it would appear that in 1933 the supply of imported beef will be much the same as in 1932-3, Australia and New Zealand gaining slightly at the expense of South America, and that the supply of foreign mutton and lamb will be some 17,000 tons less, which

the British farmer will be able to supply. When, however, foreign frozen imports are standardized at 65 per cent. of the quantities imported in 1932-3, foreign frozen beef will be about 10,000 tons and Empire beef probably not more than 84,000 tons at most. The chief benefit to the British cattle-raiser will thus not be in selling at once more cattle, but in being relieved from increased competition from the strongest quarter and by the reduction of the cheapest class of import from South America. His second-quality beef should, therefore, have a preference over Australian and New Zealand frozen beef which is of lower quality than Argentine frozen. His receipts should improve and time is given for securing a natural increase of the beef-herd, without a large increase in retail prices to the consumer. The British sheep farmer will be in a somewhat better position, for Australian and New Zealand supplies will be only 5,000 tons up, while foreign supplies will be 34,000 tons down. His prices should improve, and with the more rapid maturity of the sheep he should find it easy to produce the increased supplies.

The consumer cannot expect a continuance of the very low prices he has enjoyed lately, but he is fairly well protected in the Government proposals against any very large rise. Farmers appear disappointed at first sight, but they have to remember the time element in production. They can help themselves to some extent and with a guaranteed opportunity they should proceed further in the way of rationalization.\* Regulated marketing, the elimination of the wastes of distribution, better grading of animals and meat, central abattoirs, full utilization of by-products—all these mean better returns to the farmer and are a safeguard to the consumer against high prices.

The problem which the Government have set themselves is to raise prices to the final producer, so as to put stock-raising on a sound basis and enable him to increase his output of meat. In so doing they have to take account of the different periods

\* The Report of the Pig and Pig Products Reorganization Committee has now (October 25th) been issued. It proposes an elaborate scheme for the reconstruction of the pig-rearing and bacon-curing industries with Marketing Boards for pigs and bacon, a Development Board, and a Quota Advisory Committee. Farmers are to make annual contracts with bacon factories for the supply of pigs at prices based on the cost of feeding-stuffs and nationally negotiated. On the volume of such contracts the Quota Committee is to fix annual home quotas and quotas for each exporting country within a total supply limited at present to 10,670,000 cwts., the average quantity marketed annually in 1925-30. Any increase in the home quota or in that for a Dominion is to be at the expense of foreign quotas.

of production for the different kinds of meat, and have done so in the case of beef by lightening the pressure of competition and in the case of mutton and lamb by providing a more positive and rapid reduction of foreign imports ; such reduction could be made still more rapid in the case of bacon and hams. The expected, and intended, rise in wholesale prices will, of course, accrue also to the benefit of the importers of the restricted quantities and mitigate their losses. The over-riding condition of the quickness with which the Government can act is that there must not be so large an increase in retail prices as to arouse violent resentment among consumers, with the risk that in the political turmoil that would ensue the whole scheme might be upset before it had got to work. More especially is this true in the case of beef, where larger home supplies would necessarily be slow in coming forward. It has already been pointed out that retail prices have fallen less than wholesale prices, but in part this is due to the former containing rigid elements of wages and rent. The League of Nations report on "The Causes and Phases of the World Economic Depression," states that "there is reason to believe that retail prices have declined so slowly that the margin between the wholesale and retail prices of identical commodities on a given day is somewhat greater than it was. In other words, the retail price of to-day is based on the wholesale price ruling some time ago." That is said of retail prices in general, and does not necessarily apply to a perishable commodity like meat, where the wholesale and the retail markets closely coincide except in the case of frozen meat and, to a lesser extent, of bacon. Whether the retail butcher has a larger margin after covering costs than he had, say, seven years ago, is quite obscure, but if he has not, or if he has and it cannot be reduced, the cost of assisting the British farmer and the Dominion producer must fall on the British consumer. The first reaction of any retailer is to try to pass on any increased cost to his customers, and it appears highly expedient, therefore, that a thorough and searching enquiry should be instituted into all costs and profits of retailing. Meanwhile, the consumer can help himself, or herself, by more intelligent buying.

## Finance and Industry

### (21) National Revenue and Expenditure (1)

EVERY week the Treasury issues a return giving (1) an account of the total revenue of the United Kingdom, and (2) an account showing the receipts into and the issues out of the Exchequer. The return is printed in the *London Gazette* every Tuesday and reproduced in the newspapers the following day. It gives the figures of receipts and issues between April 1st and the Saturday previous to the date of issue, with corresponding figures for the preceding year. Each quarter day a return is issued in slightly different form, giving (1) revenue received during the current quarter and also since April 1st; and (2) issues and receipts during the period since April 1st. Comparable figures for the preceding year are included.

Before considering this return in detail, a few general notes are desirable. The figures given in both accounts represent cash payments into or out of the Exchequer, which may be defined as the national purse into which all the public revenues are paid and out of which all public expenditure is defrayed. It is not, however, the only account operated by the Government, for, as will appear later, many other accounts exist. Again, to-day many payments into and out of the Exchequer are of a capital nature, and it is in fact fair to compare it to the chief banking account of a private individual, who uses that account not only to finance his daily needs, but also his investments, paying into it both his income and also capital receipts, such as money borrowed by him and the repayment of loans made by him. Still, it is correct to say that the section of national accounts covered by the Exchequer returns represents the key to the state of the national finances.

It is convenient to begin with current revenue and expenditure. The constitutional procedure for raising revenue and authorizing expenditure is, briefly, as follows:—In the autumn of each year the various spending departments prepare their estimates, and after modification as a result of discussions with the Treasury, they are approved by the Cabinet. They are then presented to Parliament in the early spring and the House of Commons goes into Committee of Supply to consider them, this being known as “voting supply”; and each Department’s estimates are subdivided into various principal items, called “votes.” Consideration of the main estimates

continues during the spring and summer, but, as the financial year ends on March 31st, it is necessary to obtain preliminary approval from Parliament for expenditure between April 1st and the final approval of the estimates. For this purpose separate estimates for about four or five months of the year are simultaneously presented in the spring, and the expenditure of this amount is authorized provisionally by a Vote on Account. Even when this expenditure by the Department is passed, Parliament still has to authorize the Exchequer to issue the necessary funds. It does this by passing the spring Consolidated Fund Bill (which also covers supplementary expenditure for the preceding year). This bill must be passed before April 1st.

Meanwhile, the Chancellor has been considering his budget. He takes the total of the supply needed for the whole year already presented to Parliament, and adds on to it Consolidated Fund services. These consist of Interest and Management of the National Debt ; payments to the Northern Ireland Exchequer of its share of certain " reserved taxes " and also other allowances under the Act setting up the Government of Northern Ireland ; and certain other services, such as the Civil List, judges' salaries, and other items, which it has been thought best to pay automatically without annual discussion in Parliament. He also adds on the amount required for the Sinking Fund for the amortization of the National Debt, and this must be sufficient to cover the statutory sinking funds attaching to certain Government securities and also to provide an adequate surplus for general debt redemption. He can then calculate the total amount he requires to raise in taxation for the coming year.

His next task is to take the estimates prepared for him of the likely revenue obtainable upon the basis of existing taxation, and he then decides if he can reduce or must increase taxation, though as his decisions involve questions of policy they must be approved by the Cabinet as a whole. He is now able to present his budget to Parliament, which he does usually in April. In his budget speech he usually gives details as to the National Debt position, explains his estimates of the coming year's expenditure, outlines any proposed changes in taxation, and announces any important financial proposals of the Government. He ends by moving the " budget resolutions," authorizing the provisional collection of income tax and the tea duty.

So far both taxation and expenditure have been provisionally authorized, and it remains for Parliament to give final authority. It does so as regards taxation by passing the Finance Bill of the year, which is a measure enacting in detail all the proposed taxation outlined in the budget. As regards expenditure, the main estimates for the whole year are considered and passed during the summer, and finally authority for the expenditure is given by the passing of the Appropriation Bill, usually in August. The passing of these two measures complete the year's work of authorizing expenditure and the collection of revenue.

We can now revert to the returns of Exchequer receipts and payments. The first return deals purely with revenue, and is divided into the principal kinds of taxation :—

Ordinary Revenue :—

Inland Revenue—

Income Tax.	Surtax.
Estate Duties.	Stamps.
Excess Profits Duty and Corporation Profits Tax.	
Land Tax and Mineral Rights Duty.	

Customs and Excise—

Customs.

Excise.

Motor Vehicle Duties (Exchequer share).

Post Office (net receipts).

Crown Lands.

Receipts from Sundry Loans.

Miscellaneous Receipts.

Appropriation from Rating Relief Suspense Account.

Self-Balancing Revenue :—

Post Office.

Motor Vehicle Duties apportioned to Road Fund.

All items down to and including the Exchequer share of the Motor Vehicles Duties represent tax revenue. The remainder of the Ordinary Revenue represents non-tax revenue. Self-balancing revenue consists of such portions of Post Office receipts as are required to pay the expenses of the Post Office, and also of that portion of the proceeds of motor licences which is by statute diverted to the Road Fund to pay for the cost of the roads.

The figures shown in the returns represent the actual payments by the different collectors of taxes into the Exchequer.

They correspond closely but not exactly to the receipts by the collectors from the taxpayer. As a matter of convenience, the beer duty is only collected and paid over in the middle of every month, while it is common knowledge that the bulk of income tax is collected and paid over in the last quarter of the financial year. Finally, the year's receipts may include arrears of taxation levied but not collected in previous years. Thus the rate of income tax levied in the budget, say, of 1929-30, applies to the tax collected in January and July, 1930, even though the latter date falls in the financial year 1930-31. Again the item Excess Profits Duty and Corporation Profits Tax represent recoveries of arrears of taxation under these duties which expired many years ago.

As the return shows actual receipts, it corresponds to the year's estimates only as closely as realization is liable to fulfil expectation. The incidence of most duties is spread fairly evenly over the year, and in these cases it is possible to tell how far the estimates are being realized, but in the case of income tax, surtax and motor vehicle duties this is not possible, as they mainly come in towards the close of the financial year. This makes it impossible to tell if the total revenue estimate is being realized until the year is nearly ended.

As regards non-tax revenue, Post Office net receipts really represent the profits of the Post Office, excluding the Savings Bank. Crown Lands are the rents derived from these properties, less the expenses of maintenance, etc. Receipts from Sundry Loans include both principal and interest. They comprise such Government investments as the Suez Canal Shares, as well as war debts. Miscellaneous Receipts include such items as the profit earned by the Issue Department of the Bank of England, which by law goes to the Exchequer; reparations receipts; proceeds of the sales of surplus stores; profits of the Post Office Savings Bank; and occasional appropriations from unneeded public funds, such as the former Dollar Exchange Account. The Appropriation from the Rating Relief Suspense Account is a non-recurrent source of revenue representing the absorption of the unrequired balance of a fund created out of the Surplus Revenue of the years 1927 and 1928 in connection with the de-rating enactment of 1928.

This completes the survey of revenue. Expenditure and receipts and payments on capital account will be dealt with in the next article.

### Notes of the Month

*The Money Market.*—October was notable for an attempt to raise discount rates above the low levels to which they had fallen during the previous month. Towards the end of September keen competition for the new Treasury bills, which at that time formed the popular end-of-the-year maturity, drove the tender rate for the bills issued on September 23rd down to 7s. 11·16d. per cent., and other discount rates in proportion. Market discount rates of  $\frac{3}{8}$  per cent. were seriously out of accord with the minimum rate of 1 per cent. charged by the clearing banks for their market loans, and so in early October when the new Treasury bills had become the less popular January maturity, a concerted attempt was made to raise discount rates. So far this has met with partial success, for the average tender rate on October 7th was 16s. 11·24d. per cent., but by a fortnight later the tender rate had receded to 13s. 7·63d., or just under  $\frac{1}{8}$  per cent. Latterly the weakness of sterling has imparted a slightly firmer tendency to the money market, but money has remained very easy and discount rates are still well below 1 per cent. On October 31st in fact three months' Treasury bills were quoted at  $\frac{5}{8}$  per cent.

*The Foreign Exchanges.*—The main event of the past month has been the sudden fall of sterling from its previous rates of \$3.45 to \$3.50 to a low point for October of \$3.26 on October 27th. As sterling had remained between \$3.44 and \$3.50 from early August until October 17th, and as official intervention in the foreign exchange market had been fairly frequent during that period, an erroneous belief arose that sterling had been officially pegged at \$3.45, and so its fall below that point gave rise to many unfounded rumours and to some speculation in Continental centres, which undoubtedly accentuated the fluctuations in the rates. In these circumstances, it is well to emphasize the fact that the decline in sterling is largely a natural movement due to equally natural causes, and that the Exchange Equalization Account was never created with the object of arresting such a movement. The immediate cause of the decline in the pound is the familiar one of heavy seasonal purchases of dollars to pay for this year's cotton and grain harvests now coming on the market. This, together with some purchasing of American bonds by investors who wanted a higher rate of interest than they can now get in England, led

to the initial fall in the pound. The moment the pound began to decline, importers and others who knew that they would have foreign engagements to meet within the next few months began, as a matter of common business prudence, to buy their foreign exchange forward before the pound fell any further. Partly as a result of this demand, forward dollars which previously had stood at a discount compared with the spot rate, moved for a few days to a premium—again a natural movement. Now, so long as forward dollars were at a discount, it paid Americans to invest money on short-term in London, for this operation involves the sale of spot dollars for pounds (to transfer their money to London) and the purchase of forward dollars (to make sure of getting it home again). Hence so long as forward dollars were cheaper than spot dollars, a certain amount of American money was sent to London, but when three weeks ago forward dollars became relatively more expensive than spot dollars, it ceased to pay Americans to keep their money in London. Consequently there were probably some withdrawals during the days on which forward dollars stood at a premium, and these form yet another natural cause of the pressure upon sterling. Thus in the aggregate sterling has been depressed by a number of interdependent forces, all of which are temporary, and none of which need cause any anxiety. As regards the Empire Exchanges, the Australian and New Zealand rates are unchanged, at £125-£125 10s. and £110 per £100 sterling, respectively. The banks' buying rate on South Africa has fallen from £73<sup>3</sup>/<sub>8</sub> to £70 per £100 sterling.

*The Stock Exchange.*—Markets have been more subdued since the speculative movement which was checked towards the middle of September, and prices have been definitely steadier. British Government securities have, on the whole, maintained their strength, and indeed received a further stimulus from the final success of the War Loan Conversion scheme and from the successful issue of 2 per cent. Treasury bonds in early October, but the recent weakness of sterling has caused a slight recession, accompanied by a certain amount of profit-taking and selling by speculative holders. Foreign bonds have been fairly steady, though still subject to passing political influences. Home railway issues have remained weak, as a result of disappointing traffic returns and the evidence adduced by the companies in support of their claims for wage reductions. Argentine railway issues have also been a weak and dull market.

Industrial shares have displayed considerable irregularity with no definite general trend of prices. Oil shares were subject to minor rises during October following the upward movement of the previous month, but the rubber market has been lifeless with prices inclined to sag. The depreciation of the pound and the proportionate rise in the sterling price of gold caused a sharp advance in gold-mining shares, but other mining issues have been irregular with little change on balance.

*Overseas Trade.*—The September trade returns reveal no sign of the trade revival whose imminence was so freely canvassed during August. It is true that exports could not be expected to reflect any revival for several months to come, and so their decline to £26·2 millions, or to the lowest point this year, is not unduly disconcerting. Unfortunately, raw material imports at £11·2 millions are only just above the worst for the year, and so it appears that the better tone noticeable in many home industries had not up to the end of September been reflected in increased purchases of raw materials.

Description	Jan.-Sept. 1931	Jan.-Sept. 1932	Increase (+) or Decrease (-)
	£ mn.	£ mn.	£ mn.
Total Imports ... ..	621·3	520·2	-101·1
Retained Imports ... ..	573·0	481·2	- 91·8
Raw Material Imports ... ..	127·6	123·2	- 4·4
Manufactured Goods, Imports...	187·9	118·3	- 69·6
Total Exports, British Goods ... ..	292·4	271·1	- 21·3
Coal Exports ... ..	25·6	23·6	- 2·0
Iron and Steel Exports ... ..	22·7	20·8	- 1·9
Cotton Exports ... ..	42·7	48·3	+ 5·6
British Manufactured Goods, Exports...	221·1	206·8	- 14·3
Re-Exports ... ..	48·3	39·0	- 9·3
Total Exports ... ..	340·7	310·1	- 30·6
Visible Trade Balance ... ..	-280·6	-210·1	+ 70·5

The most satisfactory feature about the returns for the first three quarters of the current calendar year is the improvement of £70·5 millions in the adverse trade balance. Unless there proves to have been a further big fall in "invisible exports," this improvement should be reflected in a contraction in the adverse balance of payments recorded last year.

## Home Reports

### The Industrial Situation

While such general statistics as raw material imports, the unemployment returns, bankers' advances and acceptances, and the downward trend of wholesale prices fail to indicate any improvement in trade during recent weeks, there is no doubt that feeling in the leading industrial areas has improved since the holidays, and many of the reports summarized in the following pages point to some increase in activity. The September returns of Provincial Bank Clearings also record an improvement of 11.2 per cent. in comparison with a year ago. Railway traffic returns, though still below their level of a year ago, have also improved during the past eight weeks. Thus it is true to say that some autumn revival has occurred this year, but it is doubtful if in most industries it is more than seasonal, and such staple industries as steel, engineering and shipbuilding remain very depressed. It must be remembered that these industries largely produce "capital" goods, and until confidence returns and capital can be saved and invested on its normal scale, these important industries cannot revive. This means that at the best only an unbalanced revival can take place.

### Agriculture

*England and Wales.*—Corn harvested before the end of August was secured in favourable weather, but grain harvested later was badly damaged and in damp condition. The main potato crop is yielding well and condition and quality are good with very little disease. The yield per acre and the sugar content of sugar-beet are expected to be average. Cattle and sheep did well, but there was a tendency to market fat animals in an unfinished condition. Milk yields have fallen slightly.

*Scotland.*—Potato lifting is now in progress and the crop is well up to expectations. Unfortunately, there is disease in some of the northern counties. The sugar-beet crop promises well, but turnips have suffered from the early summer drought. In the markets fair supplies of grain have been on offer at lower prices, but potatoes have been dull. At the leading livestock markets demand has been slow and prices were again lower.

## Coal

*Hull.*—Hards and washed trebles are moving well on home account but supplies of all other descriptions are plentiful. Prices are easy.

*Newcastle-on-Tyne.*—All grades of Northumberland coal, except smalls, have been firmer, and screened coal has advanced by as much as 6d. per ton. While this extra demand is mainly seasonal, there is undoubtedly more enquiry about, especially from Scandinavia. Other markets have been quiet, but Durham coke shows a distinct improvement, the rise in price being as much as 1s. or 1s. 6d. per ton.

*Sheffield.*—Export business remains quiet. Demand is slow for industrial fuel and business in household qualities is below normal for the time of year.

*Cardiff.*—There is a slight improvement and the undertone is better. Business in Admiralty large coals continues quiet, but dry large coals are firm and dry sized coals very strong. Other sized coals are firm and scarce, and demand for washed small for bunkering purposes is increasing. Anthracites are steady to firm all round.

*Newport.*—The latest quarterly returns of the Harbour Commissioners show declines as compared with both the previous quarter and with July/September, 1931, and shipments in October show a further decline. Large coal is in but slight demand, but there have been more enquiries for sized and washed coals with occasional difficulty in obtaining supplies.

*Swansea.*—Demand for best brands continues with prices firm. Other qualities are in better request but duffs are still slow. There has been a better demand from France owing to the granting of additional import licences.

*East of Scotland.*—Prices generally have shown an upward trend with better demand in all classes. East coast producers now have a better hold of the Scandinavian markets. House coal is also being well absorbed.

*Glasgow.*—Seasonal improvements in home and shipping demand have improved the position. Washed nuts are scarce in all Scottish areas and there is a distinct tightness of export supplies of large coal.

## **Iron and Steel**

*Birmingham.*—Seasonal demands have brightened the outlook and prices are generally stable. So far there has not been sufficient confidence to stimulate bulk buying, but some manufacturers are busy on orders which were formerly placed abroad.

*Sheffield.*—The steel trade shows slight signs of improvement. Business in acid and basic billets is better, and demand for stainless and acid-resisting steels is well maintained. Railway requirements remain much below normal and the market for steel scrap is poor.

*Teeside.*—Trade is not expanding as much as was hoped, but consumers have not yet covered their autumn needs and manufacturers are expecting more buying in the near future. Scottish and overseas buyers are being offered concessions in the prices of Cleveland pig-iron, but these have not yet stimulated business. East coast hæmatite production is in excess of market needs and stocks are heavy. Steelworks are short of employment and manufacturers have difficulty in maintaining the present scale of operations. The Ottawa agreements are regarded as helpful, especially in Canadian trade, but no immediate expansion can be anticipated.

*Newport.*—There has been very little activity except at the sheet mills. Many works hope for increased business as a result of the Ottawa agreements, but it may be some time before this materializes.

*Swansea.*—Demand for tinplates is fair, but there is less buying than in the previous month. If the exchange restrictions abroad were removed, the mills would be working practically to capacity, but at present only about 60 per cent. of capacity is being worked.

*Glasgow.*—Demand is still restricted and many plants are either at a standstill or irregularly employed. The scarcity of shipbuilding contracts is depressing heavy steel and tube makers, and producers of wrought-iron and steel re-rollers are in need of business. Bookings in the sheet industry, however, are on a larger scale for export and the higher prices now quoted were long overdue in view of the advance in raw materials. Two blast furnaces are now in operation in comparison with one a short time ago.

## Engineering

*Birmingham.*—Trade is still poor and the heavy industries which previously were fairly busy are now quiet. The tube trade is very inactive. Motor car manufacturers anticipate an expansion of business in spite of the depression. There is a fairly brisk demand in the home trade and a gratifying increase in exports. Representations have been secured in the leading Continental centres, where British cars are replacing American cars.

*Coventry.*—Confidence prevails in the motor car trade. The pedal cycle industry shows some improvement and the motor cycle trade is steady.

*Luton.*—General trade shows signs of revival. Motor manufacturers are fairly busy and expecting good results from the show. The light lorry trade for both home and export markets is very busy. Hydraulic engineering, pumping machinery and general castings are dull.

*Sheffield.*—Some appreciable orders have been booked and the outlook is more encouraging. Business in the tool trades is very uneven, complaints constantly being heard of the lack of big orders and the multitude of small orders.

*Wolverhampton.*—There is little change in the general situation, but the casting and foundry shops are fairly busy and the motor trade shows a slow improvement.

*Glasgow.*—Scarcity of new orders for ships is reflected in continued depression in the marine engineering industry. Structural engineers and makers of sugar machinery are also very quiet. There are prospects of good orders being placed for motor omnibuses for service in one of the large cities in Roumania.

## Metal and Hardware Trades

*Birmingham.*—Prices of non-ferrous metals remain steady, but any sustained buying would result in a rise to more economic levels, which would improve both the rolled brass and metal smallwares sections. The trade generally is quietly confident that an early improvement will take place.

*Sheffield.*—There is a slight seasonal revival in the cutlery and plate sections but a very substantial improvement is required to put them on a sound footing again. Prices are low

and competition keen. Export trade has improved, especially with Australia, which has removed the prohibitions on imports of silver and plated ware, which had been in operation for two and a half years. Scissors and safety-razor blade makers are doing well.

*Wolverhampton.*—The tone is better and enquiries fairly numerous.

## **Cotton**

*Liverpool.*—Somewhat nervous and unsettled conditions have prevailed, and prices, which have reacted by nearly a penny a pound, stand at within trading range of the 5½d. level. In view of the persistently unfavourable weather reports of September, the Bureau estimate of October 8th, indicating a prospective increase of 115,000 bales, was unexpected, and market opinion leans to the view that the Department's figures for August were unwarrantably low. The carry-over of 13,000,000 bales, however, remains the dominating factor and there is no question of inadequacy of supplies, which, for the current season and including cotton of all growths, total something approaching 40,000,000 bales. Any sustained advance must ultimately depend on expanding consumption, and except for slightly improved American and Continental advices, textile activity has not revived to any great extent. American consumption for September was returned at 492,000 bales. Speculative interest in the commodity has lapsed considerably, and operators apparently prefer to await the result of the American Presidential Election. Demand for the raw material, though quiet, has been fairly well maintained, particularly as regards the better qualities of American cotton.

## **Wool**

*Bradford.*—Trade is still quiet but it is believed that business would improve if confidence in present values could be established. The irregularity of raw material prices at the end of the London sales has had a disturbing influence, but topmakers are not inclined to give way to the persistent attempts of users to get further reductions before placing business.

*Huddersfield.*—Makers of woollen cloths are well employed, especially makers of ladies' goods. The fine worsted trade is seriously handicapped by tariffs and currency restrictions abroad, and shows no improvement.

*Hawick.*—Short time is still general in the Border tweed trade, but a better feeling is evident. In the hosiery and underwear section there has already been a marked change for the better and some sections are working extra time. Spinners and dyers, however, are not well employed.

### **Other Textiles**

*Dundee.*—Raw jute tended dearer in the middle of September but has since reacted. Enquiries for yarn and cloth were active but definite orders of any size are still lacking.

*Dunfermline.*—The Fifeshire linen trade is somewhat slow and orders are mostly of small dimensions. Prices remain steady; indeed, with the values of the raw material gradually reaching higher levels and the future outlook for supplies uncertain, manufacturers would require to obtain even better rates. Spinners are purchasing sparingly owing to their inability to dispose of their yarn on profitable terms.

### **Leather and Boots**

*Bristol.*—A definite seasonal improvement in trade is noticeable. There have been intensive efforts on the part of manufacturers to encourage business and prices of leather have certainly been favourable. Employment is better than it was a year ago, and the bad weather has increased sales. Enquiry from overseas is better.

*Northampton.*—Business is very quiet and there is very little demand arising from the shoe and leather fair. The leather market, though quiet, shows a definite tendency to harden.

### **Shipping**

*Hull.*—Demand for tonnage is limited, and rates in all directions are easy.

*Liverpool.*—There has been a moderate expansion of business in outward coal chartering, but grain rates from Montreal and the River Plate have relapsed to previous levels. Australia has displayed some interest in new-season loading, 26s. 6d. being the U.K.-Continent figure for December. The market, however, continues to be dominated by the tonnage position which, in the absence of any improvement in world

trade, must necessarily keep rates at low levels. The success of "luxury cruising" has been an interesting feature of late months, and it is thought likely that further profits will accrue to owners from this source.

*Newcastle-upon-Tyne.*—Baltic freights show a firmer tendency. Mediterranean and Bay markets are easy.

*Cardiff.*—The freight market is steady, but there is a much better demand for the Coast and French Bay ports, and with less tonnage offering for these directions the tone has certainly improved.

*East of Scotland.*—The increase in coal shipments from the Forth ports has continued and shows no signs of abating. A fair amount of grain and fruit has been coming into Leith and there is a better feeling with freights tending to harden.

*Glasgow.*—Tonnage is in quiet demand to load coal. The Baltic, which was active for a time, is now attracting less attention from shippers, but in all sections rates are steady.

### **Foodstuffs**

*Bristol.*—There has been a better feeling of confidence than has been experienced for the past few years and prices have been gradually rising. Trade on the whole is good, but the extended credit that is being asked for in many directions is impeding progress.

*Liverpool.*—The wheat market has experienced a marked depression, and December "options" now rule 2d. lower at about 5s. 4d. per cental. Quotations for maize have declined even more heavily, yellow La Plata being marked down to 4s. 1d. Liberal offers from all shippers and lack of consumptive demand have affected prices of the latter cereal, arrivals of which have been abnormally heavy. Wheat values have receded under the weight of Canadian supplies, together with good crop news from both Argentina and the Southern Hemisphere, sustained demand being weakened by the severity of import restrictions on the Continent. The volume of business passing, except in Canadian, has been definitely small, and arrivals remain well below normal. Offers of Russian continue negligible and Australian only moderate, and Canada has contrived to get the great bulk of international trade. Political uncertainty in the United States has also contributed to the weakness of the market, though the abundance of supplies, both

visible and prospective, has been the primary cause. Opinion is expressed that Russia's fast-growing population will render her less of a competitor in world markets in this and ensuing years, and reports regarding the inadequacy of home supplies, in conjunction with continued light offerings, tend to confirm that view. Heavy Continental killings affected the position in the bacon trade considerably, and the market was weak throughout, with signs of recovery later. Hams were quiet and easy. Lard continued in moderate consumption at slightly lower prices. The demand for butter remained good at low retail rates; supplies from every source were plentiful and prospects for the autumn and winter are for a continuance of cheap prices for all descriptions of this commodity. English cheese is now in diminishing supply, but a steady demand exists for imported varieties, without any appreciable alteration in prices, and no higher retail rates are anticipated. In the canned goods section, both meats and fruits were in better demand at unchanged prices.

### Fishing

*Brixham*.—Landings for September were well up to average and prices for all grades continued firm.

*Lowestoft*.—In September, for the first time during the present year, a substantial rise in the average value of wet fish occurred. As compared with 62,978 tons landed in September, 1931, 53,130 tons were brought in this year, but the value increased from £966,107 to £972,004, a rise of 3s. per cwt. The successful completion of the Russian contract for pickled herrings caused fishermen and curers to open negotiations for a similar contract for the East Anglian autumn season; these are still under discussion.

*Penzance*.—Fishing has been fairly good and pilchards, though not so plentiful, have been taken in good quantities. Line fishing has improved, large quantities of turbot having been caught, the average price being 6d. to 7d. per lb.

*Scotland*.—Better reports are being received from the Scottish fleet operating at Yarmouth and Lowestoft, where some good catches have been obtained at fairly remunerative prices. Line fishing round the coast has been hampered by stormy weather, and with landings light prices have been well maintained.

## **Other Industries**

*Carpet-making.*—Trade remains about the same. Narrow Wilton weavers have been on short time for some time past, Axminster carpets and rugs are in full demand, while the demand for chenille carpets is patchy. Trade with Australia is increasing, but the New Zealand market shows no signs of improvement. Trade with Denmark and Holland is quite up to average, but tariffs make it almost impossible to do business with other Continental countries. Employment among spinners is very unsettled. Prices of materials are fluctuating considerably.

*Chemicals.*—There is a slight improvement, and a better tone is reported.

*China Clay.*—An amalgamation has just been arranged between the three largest clay-producing companies in Cornwall. It is hoped that further fusions with the combine will follow, and that eventually all other producers will co-operate in maintaining prices at a more economic level than has ruled since the break-up of the China Clay Association two years ago.

*Paper-making and Printing.*—Edinburgh reports considerable unemployment in both the paper and printing trades. The former particularly lacks business, as demands from abroad are at a minimum and all the mills are on short time. The printing branch is slightly better owing to Christmas orders, but prospects are still far from bright.

*Pottery.*—There is a better feeling and more confidence is shown all round. The Christmas trade is responsible for the greater part of the business, but an increase on the corresponding period of last year is noticeable. Demand for better class ware is marked both in the home and Australian markets.

*Timber.*—Hull trade shows some improvement with a good demand for building timbers and floorings and a slightly better call for casewood. Planing mills are still unable to compete with foreign manufactured goods, as the duty is the same as for the raw material. Russian goods are now practically cleared for the season, and there is more forward business from Finland and Sweden. Prices remain firm. Newport reports that timber imports, chiefly from Russia, show a large increase.

## Overseas Reports

### Australia

*From the National Bank of Australasia Limited*

The general improvement noted a month ago continues, but early summer rain is urgently needed in Queensland. Wheat, butter and wool production prospects generally are excellent. Trade is improving, more activity is reported in the building industry, and unemployment is less acute.

### Canada

*From the Imperial Bank of Canada*

This year's harvest has proved to be one of the largest of the past decade, but prices have since fallen to very low levels. Business sentiment has continued to improve, but there is little tangible foundation for this better tone, as trade has done no more than register the normal seasonal improvement. The Ottawa agreements are welcomed, and there has been a definite development of Imperial trade as compared with international trade, particularly with the United States. Still, it is generally agreed that recovery will be gradual and prolonged.

### India

Bombay reports by mail that since early September raw cotton prices have been weak and irregular, in sympathy with those quoted in America. This has caused some disappointment and has checked enterprise. Manchester goods have remained steady and the termination of the Lancashire strike was viewed with great relief. Sales of Japanese goods have definitely contracted, and some forced sales are reported at less than replacement costs. Some good sales of Indian goods are reported. The Calcutta jute market was quiet during September, and even bullish acreage and yield forecasts failed to check the fall in prices. In the tea market, the quality of the tea on offer has been poor. Common teas were in great demand but medium teas realized little more than commons until the end of September. There was a good sale for leaf grades at high prices and dusts also sold well. Rangoon reports a dull market for rice, but supplies available for export have reached a dangerously low level, so that any increase in demand would cause a big advance in prices. There has been some improve-

ment in the Bombay and Karachi timber markets. Sales of hardware are very slow and are likely to remain so until after the New Year, but Rangoon stocks are comparatively small, and this has stimulated a little forward buying by dealers, notably of galvanized sheets.

### **Irish Free State**

Keen disappointment was felt at the breakdown of the negotiations between the Free State and the British Governments. The British trade returns show that exports from the Free State declined during August and September by over £2,800,000, and imports have also fallen heavily owing to the Irish duties and consequent big increases in prices. The cattle trade is perhaps the most affected by the dispute, and fairs and markets have shrunk to a mere shadow of their normal size. Recently, however, there has been a slight tendency towards an expansion, due no doubt to the new 12½ per cent. export bounty upon livestock.

### **France**

#### *From Lloyds & National Provincial Foreign Bank Limited*

Imports for the first nine months of 1932 totalled Frs.22,169 millions, or a decline of Frs.11,200 millions below last year. Exports were Frs.14,562 millions, or a fall of Frs.8,824 millions. The adverse trade balance has contracted from Frs.9,984 millions to Frs.7,608 millions. The general shrinkage in the trade returns is partly explained by the fall in prices. The returns of registered unemployed for October 8th gave a total of 255,352, or an increase of 215,006 on the return of a year before. The August industrial production index number was 93, compared with 100 for 1913, 121 for August last year, and 92 for last July. Pig-iron production for August was 457,000 tons, against 653,000 tons in July and 680,000 tons in August last year. Steel production for August was 468,000 tons, against 465,000 tons in July and 644,000 tons in August last year. The Paris Bourse displayed signs of weakness during early October, but there are slight signs of an economic recovery, and a revival is hoped for after the American Presidential elections. In the meantime the French debt conversion scheme and political uncertainties have caused interest to centre upon gilt-edged issues.

*Bordeaux.*—The vintage was retarded until the middle of October by unfavourable weather, and it is feared that there will be a shortage. Prices consequently have hardened. The resin market is weak, but a fair amount of business is passing, and sellers are holding back for firmer quotations.

*Le Havre.*—The coffee market was depressed by the closing of the port of Santos and prices were irregular. Stocks, however, were low, and spot prices stood at a premium of Frs.50 over future prices. Cotton prices weakened on the publication of the second crop report of the American Bureau of Agriculture, and demand from spinners has been very limited.

*Lille.*—The textile markets have been firmer, and while there has been little expansion in actual business, it is thought that the worst of the depression is over. A better demand for cotton yarns is reported, but business still remains very difficult. Flax prices have advanced, but spinners are not inclined to place fresh orders. The jute trade is quiet, but stocks are very low, and the outlook is regarded as favourable.

*Roubaix.*—The improvement in the wool industry was maintained until the middle of October, when there was a slight recession in sympathy with the decline in London prices. Still, combers and spinners are fairly well employed, and production in the combing section has risen from 50 to 60 per cent. of capacity. There has been an improvement in the dress-goods trade, and some makers are booked up until the end of the year. Makers of low-class cloth are also doing fairly well. Unemployment in Roubaix and Tourcoing declined from 55,200 to 47,500 during September.

*Marseilles.*—The ground-nut market has lately receded after a short period of activity, and prices are now appreciably lower. A fair business has been done in copra at steady prices. The olive oil market is quiet and prices are slightly lower.

## **Belgium**

*From Lloyds & National Provincial Foreign Bank Limited*

*Brussels.*—Demand for both industrial and house coal is better, and house coal prices are firm. The iron and steel trades have improved. Prices are higher and the present volume of business is considered satisfactory. The glass industry is also receiving more orders, and stocks have been reduced.

*Antwerp.*—The tone of the market has improved and a fair amount of business has been passing. Recently trade has become quieter, but the outlook is viewed with more optimism. The September rise in wool prices brought out more enquiries, but prices have lately receded. Diamond prices have remained at 20 to 30 per cent. above their lowest and trade has been unusually active.

### Germany

Trade is a little better, but it is doubtful if the improvement is more than seasonal. Steel-makers have received a few more British orders, and the engineering industry reports a better home and foreign demand. Coal production shows a small improvement during the month ended October 8th, but car-loadings have receded slightly during the same period. Unemployment has improved from 5,383,000 for August 15th to 5,150,000 for October 15th.

### Holland

The 1933 budget proposals have now been published. They envisage economies amounting to Fl.71.5 millions, drafts upon existing reserves amounting to Fl.18 millions, and increases in taxation to yield Fl.36 millions. These proposals will reduce the deficit to about Fl.22 millions, which is exactly equal to the loss on the railways which the State has to make good under its guarantee. The new taxation proposals consist mainly of a 30 per cent. increase in all import duties and the beer excise duty, and the general level of import duties is thus raised from 10 to 13 per cent. It is hoped to repeal these increases at the end of the year. Business remains quiet, but there has been some improvement in the artificial silk and wireless industries, and rather greater activity in grain and timber at the port of Amsterdam.

### Norway

Imports rose from Kr.57.8 millions in August to Kr.61.6 millions in September, but exports fell back from Kr.56.3 to Kr.48.6 millions. The August export returns, however, included special re-sales of ships, and so some decline in September was to be expected. The national accounts for the year ended June 30th show a deficit of Kr.35.5 millions, due

mainly to a loss of Kr.11.1 millions over the State Railways, and to the increase in the cost of the external debt service which has resulted from the suspension of the gold standard. Industrial conditions are unchanged, but the export trades are feeling to an increasing extent the effects of import and trade restrictions abroad. As a recent report of the "Valuta Committee" shows, every effort is being made to avoid the imposition of similar restrictions in Norway, but if Norwegian exports continue to be restricted by foreign countries as they are at present, it may ultimately be necessary to introduce some form of control in order to rectify the trade balance.

### Sweden

Exports of timber and wood-pulp have improved since the beginning of September. Fairly large contracts for red wood have been arranged with Great Britain and the Continent, while good white wood contracts have been arranged with Holland. Sales for the year to date amount to 600,000 standards. A number of small contracts for wood-pulp have been arranged for shipment this year, but prices are still very low.

### Denmark

The month immediately following the withdrawal of most of the foreign exchange restrictions has passed off very satisfactorily. The National Bank has been able to repay a foreign debt of Kr.9.6 millions and also to increase its foreign exchange holdings from Kr.45.1 to Kr.52.4 millions. Restrictions upon imports still remain in force, and as a result the export surplus has been increased from Kr.1.7 millions in August to Kr.23.1 millions in September. Comparing imports for the first nine months of 1931 with those for the corresponding part of 1932, those of German goods have fallen from Kr.365.5 to Kr.226.6 millions, while those of British goods have risen from Kr.160.0 millions to Kr.177.6 millions.

### Switzerland

*From Lloyds & National Provincial Foreign Bank Limited*

So far there has been no sign of recovery, and a recent investigation into industrial activity shows that only 7 per cent.

of the country's industries rank as "good" and a further 44 per cent. as "satisfactory," the remaining 49 per cent. being classed as "bad." The trades which are the hardest hit are watchmaking, certain textiles, embroidery, and, to a lesser degree, machinery and paper-making. The railways are also severely affected by the depression and by the decline in international transit traffic. Comparing the first half of 1932 with that of 1931, passenger traffic shows a decrease of 6,000,000, and goods traffic one of 1,000,000 tons.

### Spain

Referring to the 1933 Budget, Señor Azaña has announced that the Government were agreed upon the necessity of increasing expenditure on works of development and reconstruction, as far as the country's credit and revenue would allow. He indicated that existing taxes would not be increased, but that an income tax would be introduced. A board of technical experts has been appointed to assist the Minister of Public Works in developing a scheme of hydraulic works. From data collected by the various Chambers of Commerce throughout Spain, the number of unemployed is estimated at about 400,000. Foreign trade statistics up to the end of August show a contraction in imports of 25 per cent. and in exports of 29 per cent., as compared with the same period in 1931.

### Morocco

#### *From the Bank of British West Africa Limited*

Owing to the continued poor trade conditions there is a feeling in official quarters that difficulty will be experienced in collecting the annual Native Tertib taxes; this doubt is accentuated by the recent fall in wheat prices, and two new Government decrees have been issued to govern the sale price of wheat to millers and to place a premium on stocks of wheat constituted from now onwards. These decrees have met with determined opposition, and the grain trade is very quiet. It is reported that, contrary to past years, wheat for the troops in Morocco is to be bought in this country in future. About 6,000 tons will be needed between now and July, 1933. Business in imported goods has fallen off slightly, while heavy arrivals from China have weakened the price of green tea. A better tone in trade should result, if good rains fall in the near future.

## United States

Business progress is for the moment retarded by the Presidential election, but it is noticeable that the panic psychology of a few months ago has been replaced by a feeling of restrained optimism. Industrial activity shows a moderate improvement. Car loadings, for the five weeks ended October 1st, were 2,866,674, which is the best average of any group of weeks this year. The output of refined sugar for the year to September 24th was 2,925,000 tons, against a comparable figure of 3,300,000 tons for 1931. The current year's consumption of crude rubber is unofficially forecast at 320,000 tons, or 28,000 tons less than last year and 57,000 tons less than in 1930. In the steel trade, production averaged 17.34 per cent. of capacity in September, against 14.26 per cent. in August, and has since risen to about 20 per cent. Unfilled orders of the United States Steel Corporation were 1,985,090 tons on September 30th, against a record low figure of 1,966,300 tons on July 31st. Raw cotton shipments since the beginning of August amount to 1,337,250 bales, against 910,282 bales last year, this year's figure representing an expansion of nearly 50 per cent. American cotton mills are now engaged on the large orders booked in July and August, and these should keep them busy until well into the autumn.

## Japan

The adverse trade balance for the first nine months of the year is Y.114.6 millions. This represents an increase of Y.9.0 millions over the adverse balance for the first nine months of 1931, but the trade position has greatly improved during the third quarter of this year. Business in raw silk has become quieter since August, but prices remain firm under the influence of last summer's short crop, and exports to the United States were well maintained. Until recently export trade in cotton goods was active, while conditions in the spinning branch of the industry have greatly improved during the past six months.

# Statistics

509

## Banking

### 1. BANK OF ENGLAND

Date.	Issue Department.		Banking Department.				
	Gold.	Notes in circulation.	Reserve and Proportion.		Bankers' Deposits.	Govt. Securities.	Discounts & Advances.
	£ mn.	£ mn.	£ mn.	Per cent.	£ mn.	£ mn.	£ mn.
1931. Oct. 28 ...	135.7	356.0	55.9	41.9	63.5	50.5	10.5
1932. Sept. 28 ...	139.4	359.8	55.6	40.4	80.6	69.9	12.1
Oct. 5 ...	139.4	362.5	52.9	40.0	85.7	67.7	11.7
Oct. 12 ...	139.4	361.4	54.0	40.3	83.5	68.1	11.6
Oct. 19 ...	139.4	359.2	56.2	41.1	71.9	66.2	11.6
Oct. 26 ...	139.4	358.4	57.0	41.8	77.3	67.0	11.6

### 2. TEN CLEARING BANKS

Date.	De- posits.	Accept- ances.	Cash.*	Call Money.	Bills.	Invest- ments.	Ad- vances.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
1931. September ...	1,711.8	118.4	217.6	106.9	236.8	304.0	910.8
1932. April ...	1,680.5	98.1	214.2	112.4	240.1	287.5	881.0
May ...	1,699.0	99.5	222.0	113.1	246.5	300.2	871.4
June ...	1,764.4	93.2	239.2	113.4	277.7	339.7	852.2
July ...	1,803.9	84.5	233.3	123.0	317.4	348.8	836.2
August ...	1,850.6	78.7	233.5	117.5	374.4	368.5	816.2
September ...	1,864.9	74.8	228.7	113.7	392.2	383.0	802.7

\* Includes balances with other banks and cheques in course of collection.

### 3. LLOYDS BANK, RATIO OF CURRENT ACCOUNT CREDIT BALANCES TO TOTAL DEPOSITS

Year.	Ratio.	Month.	Ratio.			
			1929.	1930.	1931.	1932.
			%	%	%	%
1902	58.2	January	46.8	45.1	45.9	46.5
1914	49.9	February	45.9	44.2	45.1	44.7
1919	60.7	March	45.2	44.5	45.3	44.7
1920	56.7	April	44.9	45.1	45.0	45.2
1921	50.7	May	44.1	44.0	44.8	45.3
1925	49.6	June	44.5	44.4	45.4	45.4
1926	48.6	July	45.4	44.7	45.7	46.0
1927	47.4	August	45.3	44.4	45.7	45.7
1928	46.4	September	45.3	44.7	45.0	45.2
1929	45.2	October	45.6	44.8	45.3	
1930	44.7	November	44.7	44.8	45.3	
1931	45.4	December	45.3	46.0	46.7	

# Money, Exchanges and Public Finance

## 1. LONDON AND NEW YORK MONEY RATES

Date.	LONDON.			NEW YORK.		
	Bank Rate.	3 Months discount Rate.	Day-to-day Loans.	Re-discount Rate.	90 Days' eligible Bank acceptances.	Call Money.
1931.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Oct. 28 ...	6	6½-7	4½-5	3½	3½	2½
1932.						
Sept. 28 ...	2	1½-2	1-1	2½	2½	2
Oct. 5 ...	2	1½-2	1-1	2½	2½	2
Oct. 12 ...	2	1½-2	1-1	2½	2½	2*
Oct. 19 ...	2	1½-2	1-1	2½	2½	1
Oct. 26 ...	2	1½-2	1-1	2½	2½	1

## 2. FOREIGN EXCHANGES

\* October 11th.

London on	Par.	1931.	1932.				
		Oct. 28.	Sept. 28.	Oct. 5.	Oct. 12.	Oct. 19.	Oct. 26.
New York ...	\$4·866	3·90½	3·45½	3·45½	3·44½	3·39½	3·29½
Montreal ...	\$4·866	4·35	3·81	3·79½	3·78½	3·69½	3·61½
Paris ...	Fr. 124·21	99½	88½	88½	87½	86½	83½
Berlin ...	Mk. 20·43	16½	14·50½	14·52½	14·48½	14·25½	13·85½
Amsterdam ...	Fl. 12·11	9½	8·59½	8·59½	8·56	8·43	8·18½
Brussels ...	Bel. 35	28	24·87½	24·88½	24·77½	24·37½	23½
Milan ...	Li. 92·46	75½	67½	67½	67½	66½	64½
Berne ...	Fr. 25·22½	19½	17·90½	17·91	17·82½	17·54	17·07
Stockholm ...	Kr. 18·16	17½	19·47½	19·47½	19½	19½	19·20
Madrid ...	Ptas. 25·22½	43½	42½	42½	42½	41½	40½
Vienna ...	Sch. 34·58½	30*	29½	29½	29½	29½	28½
Prague ...	Kr. 164·25	131½	116½	116½	116½	114½	111½
Buenos Aires...	47·62d.	32½	40½†	40½†	40½†	41½†	42½†
Rio de Janeiro	5·89d.	3½	5½†	5½†	5½†	5½†	5½†
Valparaiso ...	Pes. 40	32	57†	57†	57†	56†	54½†
Bombay ...	18d.	18½†	18½†	18½†	18½†	18½†	18½†
Hong Kong ...	—d.	15	16	16½	16½	16½	16½
Shanghai ...	—d.	19½	21	21½	21½	21½	21½

\* Nominal.

† Official rate.

## 3. PUBLIC REVENUE AND EXPENDITURE

Revenue.	To Oct. 22, 1932.	To Oct. 24, 1931.	Expenditure.	To Oct. 22, 1932.	To Oct. 24, 1931.
	£ mn.	£ mn.		£ mn.	£ mn.
Income Tax ...	52·8	60·8	Nat. Debt Service ...	156·5	174·8
Surtax ...	11·5	17·1	Northern Ireland Payments...	3·2	2·8
Estate Duties ...	43·1	38·1	Other Cons. Fund Services ...	1·3	1·3
Stamps ...	7·5	7·3	Supply Services ...	239·5	234·8
Customs ...	93·9	75·1	Ordinary Expenditure ...	400·5	413·7
Excise ...	70·6	66·4	Sinking Fund ...	13·7	20·8
Tax Revenue ...	281·2	266·5	Self-Balancing Expenditure ...	37·8	37·2
Non-Tax Revenue	21·8	35·5			
Ordinary Revenue	303·0	302·0			
Self-Balancing Revenue	37·8	37·2			

## 1. PRODUCTION

Date.	Coal.*	Pig-Iron.	Steel.
	Tons mn.	Tons thou.	Tons thou.
September ... 1931. ... ..	4.2	248	401
September ... 1932. ... ..			
April ... ..	4.1	317	433
May ... ..	4.0	315	417
June ... ..	4.0	311	459
July ... ..	3.6	293	430
August ... ..	3.5	259	362
September ... ..	3.7	260	430

\* Average weekly figures for month.

## 2. IMPORTS

Date.	Food.	Raw Materials.	Manufactured Goods.	Total.
	£ mn.	£ mn.	£ mn.	£ mn.
September ... 1931. ... ..	33.6	11.2	22.6	68.3
September ... 1932. ... ..				
April ... ..	27.5	13.4	11.8	53.5
May ... ..	29.9	13.7	11.6	53.7
June ... ..	31.4	13.5	11.8	57.5
July ... ..	29.3	10.8	11.4	51.9
August ... ..	28.2	11.7	13.1	53.3
September ... ..	30.6	11.2	12.1	54.3

## 3. EXPORTS

Date.	Food.	Raw Materials.	Manufactured Goods.	Total.
	£ mn.	£ mn.	£ mn.	£ mn.
September ... 1931. ... ..	2.7	3.7	22.2	29.8
September ... 1932. ... ..				
April ... ..	2.9	4.0	26.8	34.8
May ... ..	2.6	3.6	23.2	30.2
June ... ..	2.3	3.6	22.9	29.7
July ... ..	2.3	3.5	22.4	29.3
August ... ..	2.6	3.4	21.7	28.6
September ... ..	2.5	3.2	19.8	26.2

## 4. UNEMPLOYMENT

Date.	1926.	1927.	1928.	1929.	1930.	1931.	1932.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
End of—							
January ... ..	11.0	12.0	10.7	12.2	12.6	21.5	22.4
February ... ..	10.4	10.9	10.4	12.2	13.1	21.7	22.0
March ... ..	9.8	9.8	9.5	10.1	14.0	21.5	20.8
April ... ..	9.1	9.4	9.5	9.9	14.6	20.9	21.4
May ... ..	14.3	8.7	9.8	9.9	15.3	20.8	22.1
June ... ..	14.6	8.8	10.7	9.8	15.4	21.8	22.3
July ... ..	14.4	9.2	11.6	9.9	16.7	22.6	22.9
August ... ..	14.0	9.3	11.6	10.1	17.1	22.7	23.1
September ... ..	13.7	9.3	11.4	10.0	17.6	23.2	22.9
October ... ..	13.6	9.5	11.8	10.4	18.7	21.9	
November ... ..	13.5	9.9	12.1	11.0	19.1	21.4	
December ... ..	11.9	9.8	11.2	11.1	20.2	20.9	

Percentage of Insured Workers.

# 512 Prices

## 1. WHOLESALE PRICES (average for month)

Date.	Index Number (Sept. 16th, 1931 = 100).				
	U.K.	U.S.A.	France.	Italy.	Germany.
1931.					
September ... ..	101.9	99.6	99.4	99.5	99.8
1932.					
April ... ..	103.5	90.2	96.7	95.5	90.4
May ... ..	101.2	88.4	95.5	93.5	89.3
June ... ..	97.7	88.3	92.6	90.6	88.4
July ... ..	98.7	87.6	91.4	89.0	88.1
August ... ..	102.0	89.6	88.8	89.2	87.7
September ... ..	106.0	90.9	89.3	91.3	87.4
September 4th week ... ..	106.1	90.2	89.7	90.9	87.2
October 1st week ... ..	105.3	89.6	89.9	93.2	87.1
October 2nd week ... ..	104.0	88.9	89.3	93.1	86.9
October 3rd week ... ..	103.7	88.6	88.8	92.7	86.8
October 4th week ... ..	103.1	87.9	—	92.8	86.4

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Generale; Italy, Italian Chamber of Commerce; Germany, Statistische Reichsamt.

## 2. RETAIL PRICES (end of month)

Date.	Food.	Rent (including rates).	Clothing.	Fuel and Light.	Other items included.	All items included.
1931.						
September ...	28	54	90	75	75	45
1932.						
April ... ..	25	53-54	90	70-75	75	43
May ... ..	23	54	90	70-75	75	42
June ... ..	25	54	85-90	65-70	70-75	43
July ... ..	23	54	85-90	65-70	70-75	41
August ... ..	23	54	85-90	70	70	41
September ...	25	54	85-90	70-75	70	43

The figures represent the percentage increase above July, 1914, which is equal to 100.

## 3. COMMODITY PRICES (average for month)

Date.	Wheat, No. 1 N. Manitoba.	Cotton American Middling.	Wool, 64's tops avge.	Pig-Iron, Cleveland No. 3.	Tin, Standard Cash.	Rubber, Plantation Sheet.
1931.	per qr. s. d.	per lb. s. d.	per lb. s. d.	per ton. s. d.	per ton. s. d.	per lb. s. d.
September ...	25 9	3.96	21	58 6	117½	2½
1932.						
April ... ..	32 7	4.92	21½	58 6	109½	1½
May ... ..	31 10	4.83	21	58 6	122½	1½
June ... ..	28 1	4.30	20½	58 6	114½	1½
July ... ..	27 10½	4.69	21½	58 6	126	1½
August ... ..	29 10	5.73	21½	58 6	142½	2½
September ...	29 6	6.24	23½	58 6	152½	2½

# LLOYDS BANK LIMITED



*Over 1,900 Offices in  
England and Wales,  
and others in India  
and Burma*

Current, Deposit and  
Savings Bank Accounts  
opened

★

Home Safes issued

★

World Letters of Credit  
and Travellers' Cheques  
supplied

★

Trusteeships and  
Executorships undertaken

---

**EVERY DESCRIPTION  
OF BANKING BUSINESS  
TRANSACTED**